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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/981,626

Applicant(s)

MELCHIOR ET AL.

Examiner

PAUL FISHER

Art Unit

3689

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 21 September 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 4, 8, 9, 11-13, 18, 24-36 and 39-43 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 4, 8, 9, 11-13, 18, 24-36 and 39-43 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 25 July 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF-08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date _____

DETAILED ACTION

1. Amendment received on September 21, 2010 has been acknowledged. Claims 1-3, 5-7, 10, 14-17, 19-23 and 37-38 have been canceled. Claims 4, 8-9, 11-13, 18, 24-36 and 39-43 are currently pending and have been considered below.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 4, 8-9, 11-13, 18, 24-36 and 39-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conklin et al. (US 6,141,653) hereafter Conklin, in view of Cornelius et al. (7,069,234) hereafter Cornelius, further in view of Barnes et al. (5,970,475) hereafter Barnes.**

As per claim 4, Conklin discloses a computerized system for facilitating transactions in goods or services (Abstract), the system comprising:

a microprocessor (Col. 17, lines 13-34; discloses that the system contains a microprocessor in the form of a computer); and

a computer-readable storage medium including instructions for configuring the microprocessor to perform functions (Col. 17, lines 13-34; discloses that the system contains a computer-readable storage medium storing the software to configure the microprocessor computer to perform the functions) including:

electronic procurement of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

electronic modification of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is

iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a means for notifying has been provided to both the seller and the buyer);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the

seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order

payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the electronic modification of the purchase order agreement comprises electronic negotiation between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose evaluating at least one of completeness and consistency of the proposed modifications and a means for notifying at least one of the seller and buyer of results of the evaluation of the proposed modification.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches evaluating at least one of completeness and consistency of the proposed modifications and notifying at least one of the seller and buyer of results of the evaluation of the proposed modification (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer, thus there is a means for evaluating and a means for notifying once the evaluation is complete, it

would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time).

Cornelius further teaches the system is configured to recognize different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and the system is configured to recognize different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and the system is configured so that the proposed modifications to the purchase order agreement, and the accepting proposed modifications to the purchase order agreement, are allows by the microprocessor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 8, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the storing electronic records indicating any proposed modification to the purchase order agreement and any accepted modifications to the purchase order agreement comprises storing an indication of a chronological order in which the any proposed modifications to the purchase order agreement and the any accepted modifications to the purchase order agreement occurred (col. 14, lines 21-26 and 48-54 and 59-62, col. 30, line 33 thru col. 31, line 25). The Examiner asserts that any database would be a means for storing. If applicant is trying to claim a log or mechanism for stamping the time of day, then applicant is directed to Cornelius (col. 96, lines 28-33 time-of-day).

As per claim 9, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the storing electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement comprises storing, for reference, information identifying an entity responsible for each of the any proposed

modifications to the purchase order agreement and each of the any accepted modifications to the purchase order agreement, wherein the information identifying an entity comprises an electronic signature of the entity responsible for each of the any proposed modifications to the purchase order agreement (Figure 9 (605) (610) (col. 30, line 33 thru col. 31, line 25, col. 14, lines 21-26, 48-54 and 59-62; col. 32, lines 24-34). The Examiner asserts that as claimed, the fact that the information comprises an electronic signature is non-functional descriptive data since it does not alter the structure of the system. Furthermore, Cornelius discloses audit logs which record User ID, time-of-day, location of access, etc. (col. 96, lines 28-33) and Seller and Buyer signing off digitally for overall agreement (see also, col. 23, lines 22-27, col.24, lines 29-22).

As per claim 11, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the system is further configured to evaluate whether a first set of payment guarantee criteria are met, if the first set of payment guarantee criteria are evaluated to be met, providing a payment guarantee to the seller to guarantee payment by the buyer in connection with the purchase order agreement as modified by any modifications (Col. 4, line 51 thru col. 7, line 45; col. 25, lines 56-59, col. 26, line 65 thru col. 27, line 31)

Furthermore, Cornelius discloses means for evaluating payment criteria and providing payment (Figure 31, col. 20, line 5-31, col. 23, lines 15-31, Figure 18-20, steps 1808, 1812, where due diligence check is made prior to authorizing payment to seller by the Bank).

As per claim 12, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the first set of criteria comprises at least one of a credit exposure of the buyer being evaluated by the system to be within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; teaches that the buyer is evaluated to determine their line of credit which is the Examiner asserts is equivalent to determining if the buyer is in a specified maximum credit exposure),

Conklin discloses the seller being evaluated by the system to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants).

As per claim 13, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications comprises electronically evaluating whether the seller has complied with a part of the seller's obligations as defined by the purchase order agreement as modified by any modifications, and wherein the electronically providing a payment instruction if the seller has been evaluated to have complied with the part of the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) Deal concluded and

archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants. Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

As per claim 18, Conklin discloses a computerized method for facilitating transactions in goods or services (Abstract), the method comprising:

electronically procuring of a purchase order agreement over an electronic communication network between a seller and a buyer, the purchase order agreement

being stored electronically on a computer-readable storage medium and relating to a transaction in one or more goods or services (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

electronically modifying of the purchase order agreement upon agreement by the seller and the buyer to the modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order**

Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by a computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the

goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing on a computer-readable storage medium electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius

so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user

access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 24, Conklin discloses a computerized method for facilitating transactions (Abstract), comprising:

electronically storing on a computer-readable storage medium a purchase order agreement between a seller and a buyer relating to a transaction in one or more goods, services, or both (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

receiving over an electronic communication network a proposed modification to the purchase order agreement (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

electronically storing the proposed modification on computer-readable storage medium (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later).

receiving and storing electronic evidence that the seller has performed as least part of an obligation of the seller defined by the modified purchase order agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation

processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has fulfilled the obligation of the seller (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit); and

upon determination that the seller has fulfilled the obligation of the seller, providing a payment instruction to the buyer (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conkling further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement;

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is

correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 25, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling the buyer's obligations as defined by the modified purchase order agreement (Figure 7, col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, it would have been obvious that the payment information is included in this information since it is old and well know to track payment information to avoid possible double payment or not paying at all).

As per claim 26, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein receiving and storing the modification comprises:

forwarding the proposed modification to at least one of the buyer and the seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential

disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process both parties are communicating to come to the final terms. Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer, thus the proposals are forward to both the buyer and seller);

receiving an acceptance of the proposed modification from at least one of the buyer and seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process one of the parties receive an acceptance by the other party to the proposed terms); and

modifying the stored purchase order agreement to be consistent with the accepted modification (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

As per claim 27, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses prior to forwarding the proposed

modification, electronically verifying by the computer processor that the proposal is made according to rights of at least one of the buyer and the seller (Col. 19, lines 27-38; discloses that the seller has to be registered in order to conduct business on the system. Col. 19, lines 48-57; disclose that the buy is also checked to ensure they have the appropriate rights to be on the system and this is done to prevent frivolous or fraudulent inquirers).

Barnes teaches where the access rights and privileges of users is set for a purchase order and that these rights are used to determine if a purchase can be made according to the users authorization level (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

As per claim 28, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing a plurality of proposed modifications to the purchase order agreement based on the order in which they are communicated between the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of

negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

As per claim 29, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing an indication of the entity responsible for proposing the modification (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. It also shows that the system tracks each round by user name and password to prove which party is responsible for each modification).

As per claim 30, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses upon determining that a set of payment guarantee criteria are met, providing a payment guarantee to the seller to guarantee payment by the buyer (Col. 27, lines 3-25; disclose that the method of payment could be a Letter of credit this guarantees the seller payment if they have met all the requirements of the purchase order).

As per claim 31, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the set of payment guarantee criteria comprises a credit exposure of the buyer being within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; that the bank checks the

buys line of credit which is considered by the Examiner to be equivalent to a specified maximum credit exposure).

As per claim 32, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing an electronic proposal of a first modification only in accordance with rights associated with the user attempting to implement the first proposal (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up and they are all stored in the system);

Conklin further discloses storing a first electronic acceptance of a proposed modification only in accordance with rights associated with the user attempting to implement the first electronic acceptance (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up, it also shows that terms are accepted during this process),

Cornelius further teaches receiving an assignment of the different rights of the different seller agents from a system administrator within an organization of the seller

through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment), and

Cornelius further teaches receiving an assignment of the different rights of the different buyer agents are from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

As per claim 33, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises a first one of the seller and the buyer communicating to a second one of the seller and the buyer one or more first proposed modifications to one or more terms of

the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate).

As per claim 34, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises the second one of the seller and the buyer communicating to the first one of the seller and the buyer an action selected from the group of accepting the first proposed modifications, declining the first proposed modifications, and communicating to the first one of the buyer and the seller one or more second proposed modifications (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

As per claim 35, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises modifying the purchase order agreement in accordance with any modifications that have been proposed by the first one of the seller and the buyer and accepted by the second one of the seller and the buyer, and in accordance with any modifications that have been proposed by the second one of the seller and the buyer and accepted by the first one of the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

As per claim 36, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the negotiation comprises storing, for reference, electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown

that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

The fact that a system allows a modification of the purchase order or negotiation between the seller and the buyer is not a positive limitation. "Allowing a modification" or "allowing a negotiation" simply means that nothing is done to stop or hinder the modification or negotiation. "Allowing" a modification or negotiation means that the system makes possible for the modification or negotiation to take place without opposing or prohibiting the action.

As per claim 39, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 40, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 41, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 42, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 43, Conklin discloses a computer-readable storage medium, bearing instructions that, when executed by a computer, cause the computer to perform steps including:

procuring of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

modifying of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order

agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely

obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the modification of the purchase order agreement comprises c negotiations between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any

modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and

electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the

value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be

buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

Response to Arguments

4. Applicant's arguments filed September 21, 2010 have been fully considered but they are not persuasive.

5. In response to the applicant's argument regarding claims 4, 18, and 24 specifically that, "Applicant is unsure exactly what claim features the Examiner is referring to here, in that the claims do not recite "the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling." In this regard, the Office Action is self-contradictory in first asserting, on pages 9-10 that Cornelius allegedly discloses..., " the Examiner respectfully disagrees. The combination of Conklin and Cornelius discuss user access levels and rights as discussed in detail above, however as also discussed in the rejection they fail to show these levels and rights are specifically for purchase orders. This is not a contraction stating that they show the limitation and then later show they don't as suggested by the applicant but rather this is stating that they do not show the limitation in the environment in which is claimed which specifically is purchase orders. The newly applied reference Barnes was cited simply to show that these limitations are also known in the purchase order environment to prove that it would have been obvious to one of ordinary skill in the art to perform the limitations shown in the combination of Conklin and Cornelius in a purchase order environment as done in Barnes. The Examiner asserts that the

references when combined as done in the above rejection the references read over the claims as currently written. Therefore the rejections have been maintained.

6. In response to the applicant's argument that, "Cornelius deals with workflow management and security. The relied-upon portions of Cornelius do not disclose the relevant features of recognizing different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement; recognizing different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement; and the proposed modifications to the purchase order agreement, and the accepting proposed modifications to the purchase order agreement, are allowed by the microprocessor based on the respective buyer and seller agents' rights. The Office Action references portions of Cornelius that describe how a buyer and seller "are allowed to negotiate payment terms of transaction using a chatroom" and "the identity of the buyer may be authenticated using a password.", " the Examiner respectfully disagrees. As stated in the above rejection Cornelius teaches Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions

within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system. These passages are not merely directed toward a negotiation of terms and authentication as suggested by the applicant. Rather as shown above these portions of the Cornelius specifically state it is known to set up "which roles exist", "Which roles can perform which tasks", "Which individuals can fill which roles" and the "Re-assignment of cases", which clearly show that different users have different roles and those roles correspond to different rights and access in the system. When combined with Barnes it shows that this type of user access and rights management can be applied to various fields including those pertaining to purchase order agreement. The Examiner asserts that when combined as done in the above rejection the references read over the claims as currently written, therefore the rejections have been maintained.

7. In response to the applicant's argument pertaining to Barnes, specifically that "The above description deals with limiting the products/services available for acquisition consistent with a user's level of authorization for the acquisition of the goods/services from the supplier. These features do not reasonably correspond to the claimed features regarding recognizing different seller agent users have different rights...", the Examiner respectfully disagrees. As shown above when read in combination the reference together teach the limitations of the claims. In response to arguing the references separately, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642

F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In this case the references are part of a combination where Barnes specifically taught that it is known to use the techniques shown in the other references in the purchase order environment, since the applicant has failed to show why this combination fails to teach the limitations of the claim, the Examiner asserts that when combined as done above the references read over the claims as currently written and the rejections are therefore maintained.

8. All rejections made towards the dependent claims are maintained due to the lack of a reply by the applicant in regards to distinctly and specifically point out the supposed errors in the Examiner's action in the prior Office Action (37 CFR 1.111). The Examiner asserts that the applicant only argues that the dependent claims should be allowable because the independent claims are unobvious and patentable over Conklin in view of Cornelius, and in further view of Barnes.

Conclusion

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to PAUL FISHER whose telephone number is (571)270-5097. The examiner can normally be reached on Mon/Fri [8am/4:30pm].

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Janice Mooneyham can be reached on (571) 272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/P. R. F./
Examiner, Art Unit 3689

/Dennis Ruhl/

Primary Examiner, Art Unit 3689